GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:125
ANSWERED ON:21.08.2007
IMPORT EXPORT
Bhagora Shri Mahavir;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the growth of exports from India has slowed down while imports have registered an increasing trend during the current year in comparison to the last year;

(b) if so, the details thereof alongwith the reasons therefor, sector-wise and commodity-wise; and

(c) the steps taken to reverse the trend in favour of India`s trade balance and to boost the export performance of the country, sector-wise and commodity-wise?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (c) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.125 FOR ANSWER ON 21ST AUGUST, 2007 REGARDING `IMPORT-EXPORT`

(a) and (b) Provisional trade data available for the first quarter of the current financial year (April-June) 2007-08 shows that export growth decelerated to 18 per cent in dollar terms compared with a growth of 23 per cent during the comparable period of last year.(The slowing down of export growth was even more pronounced during this period in Re. terms at 7 per cent compared with 29 per cent in the previous year). Imports, on the other hand, increased by 34 per cent in dollar terms during the first quarter of the current year compared with 19 per cent last year.

According to sector-wise/commodity-wise data available in Quick Estimates brought out by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), there was a negative growth in export of a large number of items including RMG of all Textiles, Cotton Yarn Fabrics Made-ups etc., Plastic and Linoleum, Marine Products, Carpet, Fruits & Vegetables, Handicrafts excluding hand-made Carpets, Cashew, etc. The sectors/commodities which recorded a high growth of import during the same period included Gold & Silver, Electronic Goods, Machinery-Electrical and Non-electrical, Pearls, Precious and Semi-Precious stones, Transport Equipment, Iron & Steel, Organic and Inorganic Chemicals, etc.

c) The Government had constituted a committee to assess the impact of Rupee appreciation on exports and to suggest measures to maintain India`s export competitiveness.The committee has made a series of recommendations for immediate relief to the exporters.The Government has announced a relief package to exporters comprising enhanced Duty Entitlement Passbook (DEPB) rates, reduction in Export Credit Guarantee Corporation (ECGC) premium, release of Rs.600 crore for clearing all arrears of terminal excise duty and Central Sales tax reimbursement, enhancement of duty drawback rates and reduction in interest rates on pre and post shipment credit.